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REPORTS OF THE JOINT INSPECTION UNIT

Introduction

1. UNFPA is including its report on the follow-up to the Joint Inspection Unit (JIU) reports as part of the Executive Director's annual report in order to harmonize reporting arrangements with those of UNDP and UNICEF.

2. In 2002, UNFPA provided the JIU with inputs in the preparation of numerous reports and studies on a variety of topics, including: Management audit review of outsourcing in the United Nations and the United Nations funds and programmes; Support costs related to extrabudgetary activities; United Nations system revenue-producing activities; Option of lump sum payment as an alternative to the traditional shipment entitlements of staff; Reform of the administration of justice in the United Nations system: Options for higher recourse instances; and United Nations regional presence and coordination: The case of Arab countries. UNFPA also provided feedback and comments on a number of completed reports. Furthermore, selected JIU reports received were shared with concerned UNFPA managers for their information and consideration.

3. The following is a summary of comments made by UNFPA on those recommendations contained in the above-mentioned reports that are of most relevance to UNFPA.

Management audit review of outsourcing in the United Nations and the United Nations funds and programmes

Scope

4. The objective of the report was to determine if and to what extent outsourced operations conducted in 1999 and 2000 by the United Nations Secretariat and United Nations funds and programmes

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had been consistent with policy directives contained in the General Assembly resolution 55/232, in particular with regard to the reasons, goals and criteria for outsourcing.

Comments by UNFPA

5. In general, UNFPA welcomed the comprehensive report and fully supported the principles expounded by the JIU under the eleven recommendations contained in the report. However, UNFPA urged that due consideration be given to the unique operating conditions and environments faced by individual agencies. As such, UNFPA considered that the JIU recommendations should remain as guidelines to assist agencies in the promulgation of outsourcing as a viable and cost-effective strategy to secure services that may be required due to a multiplicity of factors. In this connection, whether such skills are either unavailable in-house, temporarily required, outside the skill sets normally required within the organization or merely cheaper outside, in the Fund's view it should be left to the organization concerned to determine the appropriate strategy to secure the requisite expertise. UNFPA also pointed out that while United Nations system guidelines on this subject would be very useful, it remained for individual agencies to determine how appropriate procedures would be applied. UNFPA raised the issue of decentralization and noted that outsourcing to appropriately qualified and reputable contractors, with appropriate oversight and control mechanisms in place, might prove an effective means of ensuring that decentralization objectives are achieved. UNFPA indicated that it was not in favour of imposing strict regulatory controls, which might effectively preclude such initiatives.

Support costs related to extrabudgetary activities in organizations of the United Nations system

Scope

6. From a broad, system-wide perspective, this report examined the establishment and application of extrabudgetary support-cost policies and discussed cost-measurement methodologies from a policy rather than a technical point of view.

Comments by UNFPA

7. UNFPA agreed with many of the observations in the report, and found that the JIU report provided insights and recommendations pertinent to initiatives under way in UNFPA to review the management of co-financing, including the treatment of cost recovery and overhead rates. UNFPA will be undertaking an analysis of direct and indirect programme support costs during 2003, in consultation with other United Nations agencies, with a view to submitting a revised policy for the Executive Board's approval. Wherever possible UNFPA will endeavour to include recommendations contained in the JIU report in its proposal to the Board.

United Nations system revenue-producing activities

Scope

8. The objective of this report was to review United Nations system policies and practices relating to revenue-producing activities with a view to establishing a coherent policy framework for these activities and improving their management efficiency and effectiveness.

Comments by UNFPA

9. UNFPA found the study useful in that it covered a broad range of issues and provided helpful insight into the approaches and strategies used by United Nations organizations to address them. UNFPA noted that the topic would likely continue to be a growing area that could benefit from inter-agency dialogue and exchange of information. In the spirit of the United Nations reform and harmonization of practices, UNFPA indicated that it would consider tabling the matter for further review through an appropriate existing mechanism under one of the numerous reform initiatives currently underway.

The option of lump sum payment as an alternative to the traditional shipment entitlements of staff: An overview of selected United Nations system organizations

Scope

10. The purpose of this JIU Note was to examine the scheme of shipment entitlements in the United Nations system and the lump sum option payment for initial appointments, change of duty stations and separation from service (repatriation).

Comments by UNFPA

11. UNFPA was of the opinion that the lump sum should be continued, as it has been received favourably by staff and cuts down on administration. Taking this into account, UNFPA suggested that it would be useful to have an analysis of current lump sum pilots being tested by other organizations to determine whether any changes would be needed in the approach. Such analysis could, for instance, examine how many staff have opted for lump sum versus the standard approach; what cost savings (if any) had been realized; and whether the lump sum amounts paid are too low or too high.

Reform of the administration of justice in the United Nations system: Options for higher recourse instances

Scope

12. The objective of this report was to consider, in the context of the reform of the administration of justice in the United Nations system, the possibility of establishing a higher recourse instance in respect of the binding decisions of the two main international administrative jurisdictions, namely, the International Labour Organization Administrative Tribunal (ILOAT) and the United Nations Administrative Tribunal (UNAT), in consultation with the organizations of the United Nations system, and bearing in mind the national legal systems of Member States.

Comments by UNFPA

13. UNFPA agreed with most of the recommendations contained in the report with the exception of the recommendation on the creation of an ad hoc panel to review judgements of the tribunals. UNFPA observed that it would be a costly and time-consuming mechanism. It also noted that if there were problems with the tribunal (exceeding its jurisdiction or making fundamental errors in procedure), then it

would be preferable to address and eliminate these problems rather than to add another layer to the justice system.

United Nations system regional presence and coordination: The case of Arab countries

Scope

14. The objective of this JIU Note was to look into the United Nations system organizations' regional presence in the Arab countries, assess mechanisms of coordination of activities at the regional level and examine ways of enhancing them.

Comments by UNFPA

15. In general, UNFPA found that the Note did not sufficiently discuss the serious coordination issues revolving around important social issues. In addition, it shared its concern regarding the proposed role the UNDP Bureau of Arab States, through the UNDP Regional Cooperation Framework, would play as yet another mechanism for programming and coordinating United Nations system organizations' support at the regional level.

16. UNFPA pointed out that the Executive Secretaries of the Economic Commissions, including the Economic and Social Commission for Western Asia (ESCWA), are already tasked with organizing annual meetings of the heads of regional bureaux/divisions to coordinate regional activities. In this connection, UNFPA supported the recommendation that a Regional Coordination Group (RCG) meeting focus on the formulation of a collective regional strategy and identification of intercountry or regional priorities and projects. UNFPA also commented that the RCG could constitute a regional mechanism to support the United Nations resident coordinator system in reporting on progress towards achieving the Millennium Development Goals at the country level. Moreover, UNFPA pointed out that the United Nations Development Group is already charged with the harmonization and coordination of administrative and operational activities of its membership. Adding a third layer to rationalize and coordinate a collective regional strategy and activities would therefore seem duplicative. In the Fund's opinion programming for and coordination of actual activities as defined in the strategy should be the responsibility of the organization with the mandate/comparative advantage to do so.

Recommendation

17. The Executive Board may wish to take note of the present report.